

Program A: Administration

Program Authorization: R.S.49:991-999

PROGRAM DESCRIPTION

The mission of the Administration Program is to provide a neutral forum for handling administrative hearings for certain state agencies, with respect for the dignity of individuals and their due process rights.

The goals of the Administration Program are:

1. Provide due process to the citizens of the state and to the executive branch agencies, through fair hearings conducted by independent and impartial administrative law judges.
2. Maintain the independence and integrity of the Division of Administrative law and protect the role of the administrative law judge as an impartial hearing officer.
3. Continue to develop a more efficient and fair hearing and decision process.

The Division of Administrative Law (DAL) handles and conducts adjudications for executive branch agencies and issues final decisions in those cases.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

Explanatory Note: The DAL began October 1, 1996, as Louisiana's first centralized administrative hearings division. The division's caseload is still being determined, as agencies continue to forward new cases, new agencies and/or new programs begin enforcement actions that lead to administrative hearings, and judicial challenges to agencies' non-transfer of their adjudications to DAL are resolved. The numbers and types of cases that the DAL is likely to receive as a result of new laws and rules enforced by other agencies are not determinable in advance and could fluctuate greatly. Legislative changes to the DAL's statutory list of included or exempted agencies can occur. Litigation among agencies and respondent persons, contesting the DAL's jurisdiction to conduct particular types of hearings, is expected to continue. These external factors are largely outside the DAL's control and can affect attainment of the DAL's objectives.

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. KEY) To docket cases and conduct administrative hearings as requested by parties.

Strategic Link: This operational objective is related to Strategic Plan Objective 1: *Docket cases and conduct administrative hearings as requested by parties during FY 1998-2003.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of cases docketed ¹	9,500	10,835	9,500	9,500	9,500	9,500
K	Percentage of cases docketed that are properly filed and received ¹	100%	100%	100%	100%	100%	100%
K	Number of hearings conducted ¹	9,000	9,347	9,000	9,000	9,000	9,000
S	Number of pre-hearing conferences conducted ¹	Not applicable ²	628	500	500	500	500
S	Number of settlements ¹	Not applicable ²	1,157	900	900	900	900

¹ The Division of Administrative Law (DAL) provides services upon the request of other state agencies. It does not generate its own input and cannot control the number and types of cases it handles. The DAL docketed 100% of whatever cases are properly filed and received, but the DAL cannot control fluctuations in the number of enforcement actions or license/permit denials by agencies or the number of citizens who choose to contest such agency decisions by requesting an administrative hearing. After cases are docketed or heard by the DAL, either party may withdraw the hearing request or settle the matter. However, if the parties want their cases to move forward, the DAL performs its adjudicatory duties in 100% of those cases.

² This was a new performance indicator for FY 1999-00. It did not appear under Act 19 of 1998 and does not have a FY 1998-99 performance standard.

GENERAL PERFORMANCE INFORMATION: DIVISION OF ADMINISTRATIVE LAW			
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1996-97 ¹	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Number of cases docketed	9,058	10,841	10,835
Percentage of cases docketed that are properly filed and received	100%	100%	100%
Number of hearings conducted	7,993	10,244	9,347
Number of pre-hearing conferences conducted	352	531	628
Number of settlements	Not applicable	988	1,157

¹ The Division of Administrative Law began operation on October 1, 1996, so only nine months of data are available for FY 1996-97. Also, figures for the first nine months of operation may be less accurate than second year figures, due to development and improvement of data collection during the first few months of operation and the inclusion of transferred cases at the division's startup.

2. (KEY) To issue decisions and orders in all unresolved cases.

Strategic Link: This operational objective is related to Strategic Objective 2: *Issue decisions and orders in all unresolved cases in FY 1998-2003.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of decisions or orders issued ¹	7,500	7,784	7,500	7,500	7,500	7,500
S	Total dollar amount of penalties assessed ²	\$500,000	\$641,806	\$1,000,000	\$1,000,000	\$700,000 ³	\$700,000 ³

¹ The number of decisions or orders issued is not completely within the control of the Division of Administrative (DAL) law. The DAL cannot control the number and types of cases it handles, fluctuations in the number of enforcement actions or license/permit denials by agencies, or the number of citizens who choose to contest such agency decisions by requesting an administrative hearing. After cases are docketed or heard, either party may withdraw the hearing request or settle the matter. However, if parties want their cases to move forward, the DAL performs its adjudicatory duties in 100% of those cases.

² The dollar amounts of penalties assessed are largely beyond the control of the DAL, as the penalty sought is set either by the agency or by law. Also, the penalty assessed as the result of an administrative law judge's decision is sometimes determined by the referring agency, according to a statutory schedule. Therefore, the penalties assessed figure reflects only a portion of the monetary outcome of the DAL's decisions. However, this indicator is important to show the outcome of the DAL's decisions and their effect on the public as well as the DAL's cost-efficiency and budgetary impact.

³ Continuation and recommended levels more closely reflect prior year actual performance and projected performance.

GENERAL PERFORMANCE INFORMATION: DIVISION OF ADMINISTRATIVE LAW			
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1996-97 ¹	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Number of decisions or orders issued	7,098	8,256	7,784
Total dollar amount of penalties assessed	\$884,445	\$1,227,977	\$641,806

¹ The Division of Administrative Law began operation on October 1, 1996, so only nine months of data are available for FY 1996-97. Also, figures for the first nine months of operation may be less accurate than second year figures, due to development and improvement of data collection during the first few months of operation and the inclusion of transferred cases at the division's startup.

The following chart compares the 25 states that with centralized administrative hearings panels. Each state's jurisdiction is different, and the balance of high and low complexity cases and the types of cases handled vary widely. As indicated below, the Division of Administrative Law reports that its average cost per hearing (\$224) is 10% of the southern regional average (\$2,345) and 11% (\$1,973) of the national average. The division's average hearing caseload per administrative law judge (ALJ) is the second highest in the nation.

GENERAL PERFORMANCE INFORMATION: STATES WITH CENTRALIZED ADMINISTRATIVE HEARINGS PANELS, 1999									
STATE	ANNUAL BUDGET OF HEARINGS PANELS	MEANS OF FINANCE - RECEIVES GENERAL FUND	NUMBER OF CASES FILED	NUMBER OF HEARINGS CONDUCTED	COST PER HEARING ¹	NUMBER OF ALJs ²	NUMBER OF SUPPORT STAFF	AVERAGE HEARING CASELOAD PER ALJ ³	RATIO OF ALJs TO STAFF
Alabama	Not available	Yes	Not available	Not available	Not available	5	3	Not available	1:6
Arizona	\$2,445,700	Yes	3,336	1,854	\$1,319	20	9	93	1:5
California	\$10,000,000	Special funding	5,836	2,983	\$3,352	42	38	71	1:1
Colorado ⁴	\$3,100,000	Yes	12,600	3,440	\$901	16	40	215	1:2.5
Florida	\$7,600,000	Trust fund	5,764	3,585	\$2,120	39	36	92	1:9
Georgia	\$4,280,000	Yes	24,000	5,250	\$815	35 full-time 25 part-time	20	(estimate) 131	(approx.) 1:6
Iowa	\$1,980,520	Yes	10,750	10,750	\$184	19	28	565	1:1.5
LOUISIANA	\$2,094,069	Partial	10,835	9,347	\$224	16	12	584	1:7
Maine	\$1,300,000	Partial	6,500	6,500 ⁵	\$200	10	7	650 ⁵	1:7
Maryland	\$9,769,144	Yes	45,200	27,450	\$356	72	72	381	1:1
Massachusetts	\$604,346	Yes	1,500	545	\$1,109	8	3.6	68	1:5
Michigan	\$2,100,000	Yes	3,200	3,200	\$656	13	14	246	1:1
Minnesota	\$9,000,000	Yes	7,500	1,800	\$5,000	43 full-time 25 part-time	50	36	(approx.) 1:1
Missouri	\$875,446	Yes	3,670	423	\$2,070	2 ⁶	17	212	1:8.5
New Jersey	\$8,123,000	Yes	11,600	3,683	\$2,206	40	87	92	1:2.2
North Carolina	\$2,786,455	Yes	1,770	280	\$9,952	9	43	31	1:4.8
North Dakota	\$1,422,511	No	600	330	\$4,310	3 full-time 15 part-time	3	<100	(estimate) 1:7
Oregon ⁷	\$10,000,000	Yes	Not available	Not available	Not available	80	55	Not available	1:7
South Carolina	\$1,739,012	Yes	828	812	\$2,147	6	18 full-time 2 part-time	(approximate) 43	1:3.2
South Dakota	\$402,000	Yes	445	240	\$1,675	3	1	80	1:3
Tennessee	\$1,325,316	Yes	2,800	1,650	\$803	14 full-time 1 part-time	4	118	1:3

Texas	\$5,800,000	Yes	17,906	16,291	\$356	60	59	272	1:1
Washington	\$10,500,000	Dedicated funds	49,000	25,400	\$4,134	70	72	363	1:1
Wisconsin	\$3,780,000	Yes	14,780	5,800	\$652	26.5	50	219	1:1.9
Wyoming	\$750,000	No	1,900	900	\$833	3 full-time 6 part-time	4 full-time 6 part-time	180	1:1
NATIONAL AVERAGE	\$4,240,730		10,536	5,760	\$1,973 ⁸	(approximate) 27.4	(approximate) 30	211	1:1.1
SOUTHERN REGIONAL AVERAGE	\$3,660,693 ⁹		9,129	5,316	\$2,345 ⁸	24.3	24.5	182	1.1

¹Cost per hearing = budget divided by number of hearings.

²ALJ = Administrative Law Judge.

³Average hearings caseload per ALJ = number of hearings divided by the number of ALJs.

⁴Colorado's figures are from previous year. Current year figures are unavailable.

⁵These are mostly unemployment cases.

⁶Missouri additionally has 3 attorneys on staff to draft decisions for ALJs.

⁷Oregon's centralized administrative hearing agency begins January 1, 2000.

⁸States (Oregon and Alabama) for which statistics relating to number of hearings conducted were unavailable were excluded from averages.

⁹Southern region includes Alabama, Florida, Georgia, Louisiana, North Carolina, South Carolina, Tennessee, and Texas.

Source: Louisiana Division of Administrative Law, citing information gathered from responses to a written survey completed by participants at the 1999 Central Panel Directors' Conference and from telephone calls to some of the listed states to clarify answers to some questions.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$435,934	\$561,101	\$563,090	\$556,657	\$653,222	\$90,132
STATE GENERAL FUND BY:						
Interagency Transfers	1,399,933	1,491,468	1,491,468	1,491,468	1,507,468	16,000
Fees & Self-gen. Revenues	12,461	41,500	41,500	46,500	30,500	(11,000)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$1,848,328	\$2,094,069	\$2,096,058	\$2,094,625	\$2,191,190	\$95,132
EXPENDITURES & REQUEST:						
Salaries	\$1,147,217	\$1,372,977	\$1,372,977	\$1,387,225	\$1,360,986	(\$11,991)
Other Compensation	40,783	50,886	50,886	50,886	50,886	0
Related Benefits	181,196	187,257	187,257	189,223	207,239	19,982
Total Operating Expenses	288,904	416,162	416,331	421,170	491,286	74,955
Professional Services	4,533	36,250	36,250	41,250	41,250	5,000
Total Other Charges	21,620	4,871	4,871	4,871	5,705	834
Total Acq. & Major Repairs	164,075	25,666	27,486	0	33,838	6,352
TOTAL EXPENDITURES AND REQUEST	\$1,848,328	\$2,094,069	\$2,096,058	\$2,094,625	\$2,191,190	\$95,132
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	32	32	32	32	32	0
Unclassified	1	1	1	1	1	0
TOTAL	33	33	33	33	33	0

SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, and Fees and Self-generated Revenues. The Interagency Transfers are from various state agencies for which the Division of Administrative Law conducts administrative hearings. The Fees and Self-generated Revenues are derived from the sale of transcripts.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$561,101	\$2,094,069	33	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$1,989	\$1,989	0	Carry forward for office equipment and furniture
\$563,090	\$2,096,058	33	EXISTING OPERATING BUDGET – December 3, 1999
\$16,214	\$16,214	0	Classified State Employees Merit Increases for FY 2000-2001
(\$4,432)	(\$4,432)	0	Risk Management Adjustment
\$4,935	\$4,935	0	Acquisitions & Major Repairs
(\$25,666)	(\$25,666)	0	Non-Recurring Acquisitions & Major Repairs
(\$1,989)	(\$1,989)	0	Non-Recurring Carry Forwards
(\$8,626)	(\$8,626)	0	Maintenance of State-Owned Buildings
\$1,726	\$1,726	0	Salary Base Adjustment
(\$31,219)	(\$31,219)	0	Attrition Adjustment
\$834	\$834	0	Civil Service Fees
\$3,113	\$3,113	0	Other Annualizations - ProLaw docketing system
\$6,552	\$11,552	0	Other Adjustments - Equipment maintenance contract, increased Westlaw charges, and increased transcript costs
\$116,946	\$116,946	0	Other Adjustments - Relocation of Metairie Office
\$11,744	\$11,744	0	Other Adjustments - Retirees medicare supplement premiums
\$653,222	\$2,191,190	33	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$653,222	\$2,191,190	33	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE

\$653,222 \$2,191,190 33 GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 104.5% of the existing operating budget. It represents 87% of the total request (\$2,519,407) for this program. Significant adjustments for which increase funding has been provided include expenses related to the relocation of the Metairie Office, retirees medicare supplement premiums, and increases in operating expenses.

PROFESSIONAL SERVICES

\$36,250 Legal expenses for contracted hearing officers
\$5,000 Interpreting services

\$41,250 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

Interagency Transfers:
\$5,705 Civil Service/CPTP charges

\$5,705 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$33,838 New and replacement office furniture and equipment

\$33,838 TOTAL ACQUISITIONS AND MAJOR REPAIRS